

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

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**SEP 16 1997**

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

**In the Matter of** )  
 )  
**Implementation of the Pay Telephone** )  
**Reclassification and Compensation** )  
**Provisions of the Telecommunications** )  
**Act of 1996** )

**CC Docket No. 96-128**

**DOCKET FILE COPY ORIGINAL**

**MOTION TO REQUIRE PRODUCTION OF COST STUDY**

Sprint Corporation hereby seeks the prompt issuance of an order by the Commission requiring Bell Atlantic (the parent of New England Telephone and Telegraph Co.) ("NET")<sup>1</sup> to submit in the record herein a copy of NET's cost analysis regarding the cost per call of local coin payphone service (together with any other supporting data or work papers) filed in connection with the tariff at issue in the Massachusetts Department of Public Utilities Docket 97-18, and to serve that study on all parties that have heretofore submitted comments and reply comments.

In their August 26, 1997 comments on remand issues, Sprint (at 8-11) and other parties relied on information submitted by NET to the Massachusetts DPU, in which NET stated that its costs per local coin payphone call amount to \$.167. As Sprint pointed out at that time (n.9 at 10) it was Sprint's understanding that the underlying cost study supporting this amount was submitted on a confidential basis, and that other parties could

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<sup>1</sup> Bell Atlantic has most recently participated in this docket through the RBOC/GTE/ SNET Payphone Coalition, ("RBOCs").

obtain copies of the cost study only by agreeing to restrict its use to that DPU proceeding. See also, AT&T Comments, n.12 at 15.

In their September 9, 1997 Reply Comments (at 2), the RBOCs allege that “interexchange carriers grievously mischaracterize payphone costs” and later argue (at 20, 26-27) that it is inappropriate to rely on the NET cost study because, inter alia, it is based only on incremental costs. Indeed, the RBOCs (ignoring that the cost study was filed under seal in Massachusetts) have the temerity to fault Sprint for not “even bothering to explain the methodology employed.” However, rather than supporting their characterization of the cost study by submitting the cost study in the record in this proceeding, they instead rely (id.) merely on an Arthur Andersen critique which they append to their reply comments, in which Andersen (at 2-3) claims, based on “discussions with various NET personnel,” that the NET study was based on incremental costs.

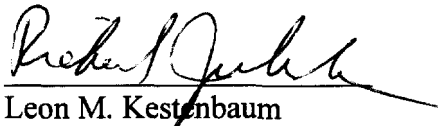
Nothing in the materials on the public record before the DPU (see Attachment 1 to Sprint’s Comments) characterize the costs in question as “incremental,” nor does labeling such a cost study “incremental” have any particular significance. In the long run, all costs are variable, and thus incremental costs (depending on how the cost study was conducted) may well not differ significantly, if at all, from fully allocated costs. Whatever the case may be, the RBOCs cannot fairly fault the IXC’s for failing to disclose the methodology NET used, nor can the Commission reliably accept the RBOCs’ unsupported and self-serving characterization that the study reflects “incremental” costs, without giving all parties to this proceeding an opportunity to examine the cost study on which NET relied in Massachusetts. Indeed, Sprint submits it would be arbitrary and

capricious for the Commission to rely on the RBOCs' second-hand characterizations of evidence in sole possession of NET that the RBOCs could have submitted into the record directly.

Accordingly, Sprint urges the Commission promptly to issue an order directing NET and/or its parent Bell Atlantic immediately to file with the Commission a full and complete copy of its cost study, including all supporting documentation furnished to the Massachusetts DPU, and to serve this submission on all other parties filing comments in this proceeding. If the Commission fails to take such action, then it cannot rely on the unsupported and self-serving claims of the RBOCs that the unit payphone cost reported by NET in the DPU proceedings represents anything other than the full costs of a local coin call.

Respectfully submitted,

SPRINT CORPORATION



Leon M. Kestenbaum

Jay C. Keithley

H. Richard Juhnke

1850 M Street, N.W., 11<sup>th</sup> Floor

Washington, D.C. 20036

(202) 857-1030

September 16, 1997

## CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing **MOTION TO REQUIRE PRODUCTION OF COST STUDY** was Hand Delivered or sent by United States first-class mail, postage prepaid, on this the 16th day of September, 1997 to the below-listed parties:

Acting Chief  
Enforcement Division  
Federal Communications Comm.  
2025 M Street, N.W.  
Room 6008  
Washington, D.C. 20554

Dana Frix  
Pamela Arluk  
Swidler & Berlin Chartered  
3000 K Street, N.W., Suite 300  
Washington, D.C. 20007

Albert Kramer  
Dickstein, Shapiro Morin &  
Oshinsky LLP  
2101 L Street, N.W.  
Washington, D.C. 20037

International Transcription Svc.  
1919 M Street, N.W.  
Washington, D.C. 20554

Anthony M. Copeland  
Michael J. Shortley, III  
Frontier Corporation  
180 South Clinton Avenue  
Rochester, NY 14646

Peter H. Jacoby  
Jodie Donovan-May  
Richard Rubin  
AT&T, Room 3252I3  
295 No. Maple Avenue  
Basking Ridge, NJ 07920

Barry E. Selvidge  
Communications Central Inc.  
1150 Northmeadow Pky., Ste. 118  
Roswell, GA 30036

Steven P. Goldman  
Bradley Toney  
MIDCOM Communications, Inc.  
1111 Third Avenue, N.W.  
Seattle, WA 98101

Michael K. Kellogg  
Kellogg, Huber, Hansen, Todd  
and Evans  
1301 K Street, N.W.  
Washington, D.C. 20005

Charles C. Hunter  
Catherine M. Hannan  
Hunter Communication Law Group  
1620 I Street, N.W., Suite 701  
Washington, D.C. 20006  
Counsel for Telecommunications  
Resellers

Genevieve Morelli  
CompTel  
Kelley Drye & Warren  
1200 19<sup>th</sup> Street, N.W., Suite 500  
Washington, D.C. 20036

Danny E. Adams  
Steven A. Augustino  
1900 M Street, N.W., Suite 800  
Washington, D.C. 20036

Richard S. Whitt  
WorldCom  
Suite 400  
1120 Connecticut Ave., N.W.  
Washington, D.C. 20036

Douglas F. Brent  
WorldCom  
9300 Shelbyville Road  
Suite 700  
Louisville, KY 40222

Mary J. Sisak  
Marilyn Brown  
MCI Telecommunications  
1801 Pennsylvania Ave., N.W.  
Washington, D.C. 20006

Scott Blake Harris  
Kent D. Bressie  
Gibson, Dunn & Crutcher  
1050 Connecticut Ave., N.W.  
Washington, D.C. 20036  
Counsel for PCIA

Robert L. Hoggath  
PCIA  
500 Montgomery Street  
Suite 700  
Alexandria, VA 22314

Judith St. Ledger-Roty  
Wendy Kirchick  
Kelley Drye & Warren  
1200 19<sup>th</sup> Street, N.W.  
Washington, D.C. 20036  
Counsel for Paging Network, Inc.

Rachel J. Rothstein  
Cable & Wireless  
8219 Leesburg Pike  
Vienna, VA 22182

Eric Bernthal  
Michael S. Wroblewski  
Latham & Watkins  
Suite 1300  
1001 Pennsylvania Ave., N.W.  
Washington, D.C. 20004  
Counsel for Peoples Telephone

Bruce Renard  
Peoples Telephone Company  
2300 N.W. 89<sup>th</sup> Street  
Miami, FL 33172

Mary McDermott  
Linda Kent  
Keith Townsend  
USTA  
1401 H Street, N.W., Suite 600  
Washington, D.C. 20005

Lisa Mullings  
NATSO, Inc.  
1199 N. Fairfax Street  
Suite 801  
Alexandria, VA 22313

Glenn B. Manishin  
Michael D. Specht  
Blumenfeld & Cohen  
1615 M Street, N.W.  
Suite 700  
Washington, D.C. 20036  
Counsel for International Telecard  
Association

Teresa Marrero  
Senior Regulatory Counsel  
Teleport Communications  
Two Teleport Drive  
Staten Island, NY 10311

Theodore Rammelkamp, Jr.  
General Counsel  
Telaleasing Enterprises, Inc.  
601 West Morgan  
Jacksonville, FL 32202

Kathy L. Shobert  
General Communication, Inc.  
901 15<sup>th</sup> Street, N.W., Suite 900  
Washington, D.C. 20005

Philip L. Spector  
Monica A. Leimone  
Paul, Weiss, Rifkind, Wharton  
and Garrison  
1615 L Street, N.W.  
Washington, D.C. 20036  
Counsel for PageMart Wireless, Inc.

Charles H. Helein  
Helein & Associates  
8180 Greensboro Drive  
Suite 700  
McLean, VA 22102  
Counsel for America's Carriers  
Telecommunications Assn.

Mark A. Stachiw  
AirTouch Paging  
12221 Merit Drive, Suite 800  
Dallas, TX 75251

Carl W. Northrop  
E. Ashton Johnston  
Paul, Hastings, Janofsky & Walker  
1299 Pennsylvania Ave., N.W.  
Washington, D.C. 20004

Tom Schneider  
Champion International Cororation  
Hamilton, OH 45020

Harriett Anderson  
Thiele Kaolin Company  
P.O. Box 1056  
Sandersville, GA 31082

Napoleon Barragan  
Dial-A-Mattress  
3140 48<sup>th</sup> Street  
Long Island City, NY 11101

James Cabela  
Cabela's World's Foremost Outfitters  
812 13<sup>th</sup> Street  
Sidney, NE 69160

Donald Dirren  
Viad Corporation  
1850 North Central Avenue  
Phoenix, AZ 85077

Ken Welk  
Sitel Corporation  
13305 Birch Street, Suite 100  
Omaha, NE 68154

Daniel Umberger  
Borden Services Company  
180 East Broad Street  
Columbus, OH 43215

Mitchell Brecher  
Stephen Holsten  
Fleischman and Walsh, L.L.P.  
1400 Sixteenth Street, N.W.  
Washington, D.C. 20036

Michael Ward  
John F. Ward  
Henry T. Kelly  
O'Keefe, Asbenden Lyons & Ward  
30 North LaSalle, Suite 4100  
Chicago, IL 60602

Meredith Gifford  
GE Capital Communication  
Services Corporation  
6540 Powers Ferry Road  
Atlanta, GA 30339

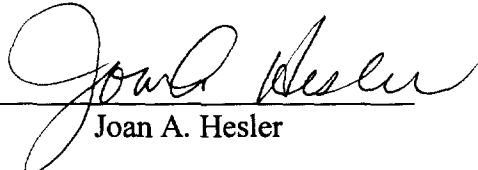
Colleen Boothby  
Janine F. Goodman  
Levine, Blaszak, Block & Boothby  
1300 Connecticut Ave., N.W.  
Washington, D.C. 20036

Mark Cooper  
Consumer Federation of America  
1424 16<sup>th</sup> Street, N.W.  
Washington, D.C. 20036

Ken McEldowny  
Consumer Action  
116 New Montgomery, Suite 233  
San Francisco, CA 94105

Ronald Binz  
Competitive Policy Institute  
1156 15<sup>th</sup> Street, N.W., Suite 310  
Washington, D.C. 20005

Paul Kuzia  
Arch Communications  
1800 West Park Drive, Suite 250  
Westborough, MA 01581



Joan A. Hesler